



February 6, 2015

SENATE BILL No. 533

DIGEST OF SB 533 (Updated February 3, 2015 1:50 pm - DI 109)

Citations Affected: IC 6-1.1; IC 6-6; IC 10-17; IC 21-14; noncode.

Synopsis: Various veterans matters. Provides that after December 31, 2015, the assessed value of an individual's tangible property may not be considered when determining whether the individual is eligible for the property tax deduction for: (1) totally disabled veterans; or (2) veterans who are at least 62 years of age and have a disability of at least 10%. Changes the amount of the veteran's credit against the annual motor vehicle excise tax from \$70 per vehicle to 2% of the amount of the property tax deduction that the veteran would qualify for if the veteran owned tangible property. Provides that after December 31, 2015, the assessed value of a veteran's tangible property may be exempt from property taxes if the property: (1) is the veteran's homestead; and (2) was provided by a state recognized charitable organization. Allows, after December 31, 2015, a property tax exemption for a deceased veteran's surviving spouse under certain conditions. Removes the requirement that an Indiana qualified service member must serve on active duty after September 11, 2001, in order to receive assistance from the military family relief fund. Provides for an annual appropriation to the veterans' affairs commission to provide grants to qualified Indiana law schools that establish or maintain a veterans disability clinic. Provides for tuition and fee exemptions for all children of disabled veterans. (Current law provides that children of
(Continued next page)

Effective: Upon passage; July 1, 2015; January 1, 2016.

**Grooms, Arnold J, Banks A, Ford,
Stoops**

January 14, 2015, read first time and referred to Committee on Veterans Affairs & The Military.

February 5, 2015, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

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Digest Continued

veterans who enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011, receive tuition and fee reductions based on the percentage rating of the veteran.) Authorizes refunds for tuition and fees already paid by children of disabled veterans to state educational institutions before a positive determination of eligibility to receive higher education benefits has been made by the Indiana department of veterans' affairs. Provides funding to veterans service organizations with accredited service officers who assist Indiana veterans to obtain federal and state benefits earned as a result of the veterans' military service. Provides funding to veterans disability clinics. Makes an appropriation.



February 6, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 533

A BILL FOR AN ACT to amend the Indiana Code concerning military and veterans and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-10-47 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 47. A homestead is exempt from property taxation if**
4 **the homestead is owned by:**

5 **(1) an individual who is the surviving spouse of an individual**
6 **who:**

7 **(A) served in the armed forces of the United States; and**

8 **(B) died of wounds received in action or was killed in**
9 **action; or**

10 **(2) an individual who is receiving dependency indemnity**
11 **compensation under 38 U.S.C. 1315.**

12 SECTION 2. IC 6-1.1-10-48 IS ADDED TO THE INDIANA CODE
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
14 1, 2015]: **Sec. 48. Tangible property is exempt from property**
15 **taxation if:**

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- 1 **(1) the tangible property is a homestead;**
- 2 **(2) the tangible property is owned by an individual who is a**
- 3 **partially or totally disabled veteran or the spouse of an**
- 4 **individual who is a partially or totally disabled veteran; and**
- 5 **(3) the tangible property was provided to the individual**
- 6 **described in subdivision (2) by an organization that is exempt**
- 7 **from income taxation under the federal Internal Revenue**
- 8 **Code.**

9 SECTION 3. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts),
 10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2015]: Sec. 14. (a) Except as provided in subsection (c) and
 12 except as provided in section 40.5 of this chapter, an individual may
 13 have the sum of twelve thousand four hundred eighty dollars (\$12,480)
 14 deducted from the assessed value of the tangible property that the
 15 individual owns (or the real property, mobile home not assessed as real
 16 property, or manufactured home not assessed as real property that the
 17 individual is buying under a contract that provides that the individual
 18 is to pay property taxes on the real property, mobile home, or
 19 manufactured home if the contract or a memorandum of the contract is
 20 recorded in the county recorder's office) if:

- 21 (1) the individual served in the military or naval forces of the
- 22 United States for at least ninety (90) days;
- 23 (2) the individual received an honorable discharge;
- 24 (3) the individual either:
- 25 (A) has a total disability; or
- 26 (B) is at least sixty-two (62) years old and has a disability of at
- 27 least ten percent (10%);
- 28 (4) the individual's disability is evidenced by:
- 29 (A) a pension certificate or an award of compensation issued
- 30 by the United States Department of Veterans Affairs; or
- 31 (B) a certificate of eligibility issued to the individual by the
- 32 Indiana department of veterans' affairs after the Indiana
- 33 department of veterans' affairs has determined that the
- 34 individual's disability qualifies the individual to receive a
- 35 deduction under this section; and
- 36 (5) the individual:
- 37 (A) owns the real property, mobile home, or manufactured
- 38 home; or
- 39 (B) is buying the real property, mobile home, or manufactured
- 40 home under contract;
- 41 on the date the statement required by section 15 of this chapter is
- 42 filed.



(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) ~~No one is~~ **For an assessment date occurring before January 1, 2016, an individual is not** entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred forty-three thousand one hundred sixty dollars (\$143,160).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 4. IC 6-6-5-5.2, AS ADDED BY P.L.293-2013(ts), SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 5.2. (a) This section applies to a registration year beginning after December 31, ~~2013~~. **2015**.

(b) Subject to subsection (d), an individual may claim a credit against the tax imposed by this chapter upon a vehicle owned by the individual if the individual is eligible for the credit under any of the following:

(1) The individual meets all the following requirements:

(A) The individual served in the military or naval forces of the United States during any of its wars.

(B) The individual received an honorable discharge.

(C) The individual has a disability with a service connected disability of ten percent (10%) or more.

(D) The individual's disability is evidenced by:

(i) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(ii) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the



- 1 individual's disability qualifies the individual to receive a
 2 credit under this section.
- 3 (E) The individual does not own property to which a property
 4 tax deduction may be applied under IC 6-1.1-12-13.
- 5 (2) The individual meets all the following requirements:
- 6 (A) The individual served in the military or naval forces of the
 7 United States for at least ninety (90) days.
- 8 (B) The individual received an honorable discharge.
- 9 (C) The individual either:
- 10 (i) has a total disability; or
- 11 (ii) is at least sixty-two (62) years of age and has a disability
 12 of at least ten percent (10%).
- 13 (D) The individual's disability is evidenced by:
- 14 (i) a pension certificate or an award of compensation issued
 15 by the United States Department of Veterans Affairs; or
- 16 (ii) a certificate of eligibility issued to the individual by the
 17 Indiana department of veterans' affairs after the Indiana
 18 department of veterans' affairs has determined that the
 19 individual's disability qualifies the individual to receive a
 20 credit under this section.
- 21 (E) The individual does not own property to which a property
 22 tax deduction may be applied under IC 6-1.1-12-14.
- 23 (3) The individual meets both of the following requirements:
- 24 (A) The individual is the surviving spouse of any of the
 25 following:
- 26 (i) An individual who would have been eligible for a credit
 27 under this section if the individual had been alive in 2013
 28 and this section had been in effect in 2013.
- 29 (ii) An individual who received a credit under this section in
 30 the previous calendar year.
- 31 (iii) A World War I veteran.
- 32 (B) The individual does not own property to which a property
 33 tax deduction may be applied under IC 6-1.1-12-13,
 34 IC 6-1.1-12-14, or IC 6-1.1-12-16.
- 35 (c) The amount of the credit that may be claimed under this section
 36 is equal to the lesser of the following:
- 37 (1) The amount of the excise tax liability for the individual's
 38 vehicle as determined under section 5 of this chapter.
- 39 (2) ~~Seventy dollars (\$70).~~ **The amount determined in the**
 40 **following STEPS:**
- 41 **STEP ONE: Determine the applicable maximum property**
 42 **tax deduction from among the following:**



(i) In the case of an individual described in subsection (b)(1), the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-13(a).

(ii) In the case of an individual described in subsection (b)(2), the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-14(a).

(iii) In the case of an individual described in subsection (b)(3)(A)(i) or (b)(3)(A)(ii) and whose deceased spouse met the requirements of subsection (b)(1)(A) through (b)(1)(D), the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-13(a).

(iv) In the case of an individual described in subsection (b)(3)(A)(i) or (b)(3)(A)(ii) and whose deceased spouse met the requirements of subsection (b)(2)(A) through (b)(2)(D), the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-14(a).

(v) In the case of an individual described in subsection (b)(3)(A)(iii), the result of this STEP is the amount of the deduction specified in IC 6-1.1-12-16(a).

STEP TWO: Multiply:

(i) the STEP ONE result; by

(ii) two percent (2%);

rounding the result to the nearest dollar.

(d) The maximum number of motor vehicles for which an individual may claim a credit under this section is two (2).

(e) An individual may not claim a credit under both:

(1) this section; and

(2) section 5(b) of this chapter.

(f) The credit allowed by this section must be claimed on a form prescribed by the bureau. An individual claiming the credit must attach to the form an affidavit from the county auditor stating that the claimant does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.

SECTION 5. IC 10-17-1-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 12. (a) As used in this section, "accredited service officer" means an individual who has the appropriate training and credentials described under section 10 of this chapter and is employed by or working with an approved organization.**

(b) As used in this section, "approved organization" refers to any veterans service organization approved by the Indiana department of veterans' affairs.



(c) Subject to subsection (e), the department may reimburse an approved organization for expenses incurred by accredited service officers who assist veterans and dependents of veterans in obtaining federal and state benefits to which the veterans and dependents of veterans are entitled.

(d) The Indiana department of veterans' affairs may adopt rules under IC 4-22-2 to establish the following:

(1) The manner in which the expenses of an approved organization may be reimbursed under this section.

(2) The criteria each approved organization must meet to qualify for reimbursement under this section.

(e) The total amount of reimbursements paid under this section in a state fiscal year to an approved organization may not exceed one thousand dollars (\$1,000) per case. For purposes of this section, the assistance provided by an accredited service officer to a particular veteran and any dependent of that veteran is considered a single case. The total amount of reimbursements paid to all approved organizations under this section in a fiscal year may not exceed five hundred thousand dollars (\$500,000).

(f) There is annually appropriated to the Indiana department of veterans' affairs five hundred thousand dollars (\$500,000) from the state general fund to make reimbursements under this section.

SECTION 6. IC 10-17-12-7.5, AS ADDED BY P.L.50-2009, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7.5. As used in this chapter, "qualified service member" means an individual who is:

(1) an Indiana resident;

(2) a member of:

(A) the armed forces; or

(B) the National Guard; and

(3) serving on active duty

(A) after September 11, 2001; and

(B) during a time of national conflict or war.

SECTION 7. IC 10-17-12.5-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7.5. There is annually appropriated to the fund one hundred twenty thousand dollars (\$120,000) from the state general fund for the commission to provide grants to qualified law schools that establish or maintain a veterans disability clinic as described in this chapter.

SECTION 8. IC 21-14-4-2, AS AMENDED BY P.L.169-2011, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2015]: Sec. 2. (a) Subject to this section, ~~and section 2-5 of this chapter~~, an eligible applicant is entitled to enter, remain, and receive instruction in a state educational institution upon the same conditions, qualifications, and regulations prescribed for other applicants for admission to or scholars in the state educational institutions, without the payment of any educational costs for one hundred twenty-four (124) semester credit hours in the state educational institution.

(b) The maximum amount that an eligible applicant is exempt from paying for a semester hour is an amount equal to the cost of an undergraduate semester credit hour at the state educational institution in which the eligible applicant enrolls.

(c) ~~This subsection applies only to an individual who qualifies for a benefit under this chapter because of a father or mother (or in the case of section 1(1) of this chapter, a related member) who enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011. This subsection applies to a student who initially enrolls in an eligible institution for a semester (or its equivalent) beginning after June 30, 2012.~~ Subject to subsection (d), any benefits awarded under this chapter may not be renewed ~~subject to subsections (a) and (b)~~, if the eligible individual fails to maintain at least the following cumulative grade point average:

(1) For credit hours applicable to the equivalent of the applicant's freshman academic year, a cumulative grade point average that the eligible institution determines is satisfactory academic progress.

(2) For credit hours applicable to the equivalent of the applicant's sophomore academic year, a cumulative grade point average of 2.25 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(3) For credit hours applicable to the equivalent of the applicant's junior or senior academic year, a cumulative grade point average of 2.5 on a 4.0 grading scale or its equivalent as established by the eligible institution.

(d) After the first semester or its equivalent at the eligible institution that a person does not achieve the requisite cumulative grade point average specified in subsection (c), the person is considered to be on probation and must achieve the requisite cumulative grade point average by the next semester or its equivalent at the eligible institution in order to continue to receive benefits under this chapter.

(e) ~~Notwithstanding any other provision of this chapter or another law, a change in the criteria for or the amount of a benefit awarded~~



under this chapter enacted in the 2011 session of the general assembly applies only to an individual who qualifies for a benefit under this chapter because of a father or mother (or in the case of section 1(1) of this chapter, a related member) who enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011.

SECTION 9. IC 21-14-4-2.5 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 2-5: (a) This section applies to an individual who qualifies as an eligible applicant under section 1(3) of this chapter because the individual's father or mother:

(1) enlisted or otherwise initially served in the armed forces of the United States after June 30, 2011; and

(2) suffered a disability as determined by the United States Department of Veterans Affairs:

(b) This subsection does not apply to an individual who:

(1) is an eligible applicant under section 1(3) of this chapter; and

(2) qualifies as an eligible applicant under section 1(1) or 1(2) of this chapter.

(c) Subject to subsection (d) and section 2(b) of this chapter, the eligible applicant is entitled to a reduction in the educational costs that would otherwise apply as follows:

(1) If the individual's father or mother suffered a disability as determined by the United States Department of Veterans Affairs with a rating of eighty percent (80%) or more, the individual is entitled to a one hundred percent (100%) reduction in education costs:

(2) If the individual's father or mother suffered a disability as determined by the United States Department of Veterans Affairs with a rating of less than eighty percent (80%); the individual is entitled to a reduction in education costs equal to the sum of:

(A) twenty percent (20%); plus

(B) the disability rating of the individual's father or mother.

(d) The latest disability rating determined by the United States Department of Veterans Affairs for an individual's father or mother shall be used to compute the percentage by which education costs are reduced under this section. If the disability rating of the individual's father or mother changes after the beginning of an academic semester, quarter, or other period for which educational costs have been reduced under this section, the change in disability rating shall be applied beginning with the immediately following academic semester, quarter, or other period.

SECTION 10. IC 21-14-4-5, AS AMENDED BY P.L.169-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2015]: Sec. 5. (a) Determination of eligibility for higher education benefits authorized under this chapter is vested exclusively in the Indiana department of veterans' affairs. Any applicant for benefits under this chapter may make a written request for a determination of eligibility by the Indiana department of veterans' affairs. The director or deputy director of the Indiana department of veterans' affairs shall make a written determination of eligibility in response to each request. In determining the amount of an applicant's benefit, the commission shall consider other higher education financial assistance in conformity with this chapter.

(b) If a positive determination of eligibility is made by the Indiana department of veterans' affairs after an eligible applicant has paid tuition and fees to a state educational institution, the eligible applicant may receive a refund equal to the amount of the tuition and fees paid to the state educational institution by the eligible applicant before the date of the determination.

~~(b)~~ (c) The commission shall administer the benefits and ensure compliance with this chapter.

SECTION 11. IC 21-14-4-6, AS AMENDED BY P.L.169-2011, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) An appeal from an adverse determination under section 5(a) of this chapter must be made in writing to the veterans' affairs commission not more than fifteen (15) working days following the applicant's receipt of the determination. A final order must be made by a simple majority of the veterans' affairs commission not more than fifteen (15) days following receipt of the written appeal.

(b) If a positive determination of eligibility is made by the veterans' affairs commission in an appeal under subsection (a) after an eligible applicant has paid tuition and fees to a state educational institution, the eligible applicant may receive a refund equal to the amount of the tuition and fees paid to the state educational institution by the eligible applicant before the date of the determination.

SECTION 12. IC 21-14-4-8, AS AMENDED BY P.L.169-2011, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. The amount of the benefits under this chapter is equal to one (1) of the following amounts:

(1) If the applicant does not receive financial assistance specifically designated for educational costs, the amount determined under sections 2 through 6 of this chapter.

(2) If the applicant receives any financial assistance, including federal assistance, specifically designated for educational costs:



(A) the amount determined under sections 2 through 6 of this chapter; minus

(B) the financial assistance specifically designated for educational costs.

(3) If the applicant is eligible to receive financial assistance under the Servicemen's Readjustment Act of 1944, as amended, and other acts of Congress granting a right, privilege, or benefit to veterans, the amount equal to the balance required to attend the state educational institution after the receipt of disbursed funds under the Servicemen's Readjustment Act of 1944, as amended, and other acts of Congress granting a right, privilege, or benefit to veterans.

SECTION 13. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-14, as amended by this act, applies to assessment dates after December 31, 2015.

(b) This SECTION expires July 1, 2017.

SECTION 14. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-47, as added by this act, applies to assessment dates after December 31, 2015.

(b) This SECTION expires July 1, 2017.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-48, as added by this act, applies to assessment dates after December 31, 2015.

(b) This SECTION expires July 1, 2017.

SECTION 16. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Veterans Affairs and the Military, to which was referred Senate Bill No. 533, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 38, delete "chapter." and insert **"chapter and is employed by or working with an approved organization."**

Page 5, between lines 41 and 42, begin a new paragraph and insert:

"(c) Subject to subsection (e), the department may reimburse an approved organization for expenses incurred by accredited service officers who assist veterans and dependents of veterans in obtaining federal and state benefits to which the veterans and dependents of veterans are entitled.

(d) The Indiana department of veterans' affairs may adopt rules under IC 4-22-2 to establish the following:

(1) The manner in which the expenses of an approved organization may be reimbursed under this section.

(2) The criteria each approved organization must meet to qualify for reimbursement under this section.

(e) The total amount of reimbursements paid under this section in a state fiscal year to an approved organization may not exceed one thousand dollars (\$1,000) per case. For purposes of this section, the assistance provided by an accredited service officer to a particular veteran and any dependent of that veteran is considered a single case. The total amount of reimbursements paid to all approved organizations under this section in a fiscal year may not exceed five hundred thousand dollars (\$500,000).

(f) There is annually appropriated to the Indiana department of veterans' affairs five hundred thousand dollars (\$500,000) from the state general fund to make reimbursements under this section."

Page 5, delete line 42.

Page 6, delete lines 1 through 19.

Page 6, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 6. IC 10-17-12-7.5, AS ADDED BY P.L.50-2009, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7.5. As used in this chapter, "qualified service member" means an individual who is:

(1) an Indiana resident;

(2) a member of:

(A) the armed forces; or

(B) the National Guard; and

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- (3) serving on active duty
~~(A) after September 11, 2001; and~~
~~(B) during a time of national conflict or war."~~

Page 6, line 23, delete "a sufficient amount" and insert **"one hundred twenty thousand dollars (\$120,000)"**.

Page 6, delete lines 27 through 42.

Page 7, delete lines 1 through 11.

Page 9, line 25, delete "affairs, any benefits awarded to" and insert **"affairs after an eligible applicant has paid tuition and fees to a state educational institution, the eligible applicant may receive a refund equal to the amount of the tuition and fees paid to the state educational institution by the eligible applicant before the date of the determination."**

Page 9, delete lines 26 through 28.

Page 9, line 40, delete "(a), any" and insert **"(a) after an eligible applicant has paid tuition and fees to a state educational institution, the eligible applicant may receive a refund equal to the amount of the tuition and fees paid to the state educational institution by the eligible applicant before the date of the determination."**

Page 9, delete lines 41 through 42.

Page 10, delete lines 1 through 3.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 533 as introduced.)

CRIDER, Chairperson

Committee Vote: Yeas 9, Nays 0.

